

MINUTES

North Dakota State Water Commission Bismarck, North Dakota

August 16, 2001

The North Dakota State Water Commission held a meeting at the State Office Building, Bismarck, North Dakota, on August 16, 2001. Governor-Chairman, John Hoeven, called the meeting to order at 1:30 PM, and requested State Engineer, and Chief Engineer-Secretary, Dale L. Frink, to call the roll. Governor Hoeven announced a quorum was present.

STATE WATER COMMISSION MEMBERS PRESENT:

Governor John Hoeven, Chairman
Roger Johnson, Commissioner, Department of Agriculture, Bismarck
Charles Halcrow, Member from Drayton
Larry Hanson, Member from Williston
Curtis Hofstad, Member from Starkweather
Elmer Hillesland, Member from Grand Forks
Jack Olin, Member from Dickinson
Harley Swenson, Member from Bismarck
Robert Thompson, Member from Page
Dale L. Frink, State Engineer, and Chief Engineer-Secretary,
North Dakota State Water Commission, Bismarck

OTHERS PRESENT:

State Water Commission Staff
Approximately 50 people interested in agenda items

The attendance register is on file with the official minutes.

The meeting was recorded to assist in compilation of the minutes.

INTRODUCTION OF STATE WATER COMMISSION MEMBER - CURTIS L. HOFSTAD, STARKWEATHER, ND

Curtis L. Hofstad, Starkweather, ND, was introduced. Mr. Hofstad was appointed by Governor Hoeven to serve as a member of the State Water Commission, replacing Judith DeWitz,

Tappen, ND. His term was effective on July 1, 2001 and expires on June 30, 2005.

REAPPOINTMENT OF STATE WATER COMMISSION MEMBERS, ELMER HILLESLAND, GRAND FORKS, ND, AND ROBERT THOMPSON, PAGE, ND

Elmer Hillesland, Grand Forks, ND, and Robert Thompson, Page, ND, were reappointed by Governor Hoeven to serve six-year terms as members of the State Water Commission. Their terms were effective July 1, 2001 and expires on June 30, 2007.

CONSIDERATION OF AGENDA

There being no additional items for the agenda, Governor Hoeven announced the agenda approved as presented.

CONSIDERATION OF DRAFT MINUTES OF JULY 18, 2001 STATE WATER COMMISSION TELEPHONE CONFERENCE CALL MEETING - APPROVED

The draft minutes of the July 18, 2001 State Water Commission telephone conference call meeting were approved by the following motion:

It was moved by Commissioner Hanson, seconded by Commissioner Swenson, and unanimously carried, that the draft minutes of the July 18, 2001 State Water Commission telephone conference call meeting be approved as prepared.

FINANCIAL STATEMENT - AGENCY PROGRAM BUDGET EXPENDITURES

David Laschkewitsch, Accounting Manager, State Water Commission's Administrative Services Division, presented and discussed the Program

Budget Expenditures for the period ending June 30, 2001, reflecting 100 percent of the 1999-2001 biennium. **SEE APPENDIX "A"**

FINANCIAL STATEMENT - RESOURCES TRUST FUND, 1999-2001 BIENNIUM

David Laschkewitsch presented the following Resources Trust Fund recap for the 1999-2001 biennium:

Beginning Balance - July 1, 1999	\$ 6,733,283
Total Revenue Received During 1999-2001 Biennium	12,505,004
Expenditures	(4,511,000)
Balance in Resources Trust Fund - June 30, 2001	\$14,727,287

The Projects-Contract Fund spread- sheet, attached hereto as **APPENDIX "B"**, is based on the agency's current authorized funding appropriation from the Resources Trust Fund.

**FINANCIAL STATEMENT -
RESOURCES TRUST FUND,
2001-2003 BIENNIUM**

David Laschkewitsch presented the following summarization of projected revenues for the Resources Trust Fund for the 2001-2003 biennium:

Beginning Balance - July 1, 2001	\$ 14,727,287
Oil Extraction Tax Estimate	8,846,808
MR&I Loan Revenue	999,439
Southwest Pipeline Project Revenue	800,000
Interest Revenue	373,356
Current Total Revenue Estimate	\$ 25,746,890
Resources Trust Fund Authority in Budget	\$ 21,718,031

Mr. Laschkewitsch explained that the estimated revenue exceeds the agency's spending authority by \$4,028,859. At the time the 2001-2003 budget was prepared, it was estimated the beginning balance to be \$10,900,000. Due to improved oil prices, that amount actually was \$14,727,287. He said the State Water Commission could request this additional \$4 million of spending authority from the Emergency Commission later in the biennium.

**FINANCIAL STATEMENT -
WATER DEVELOPMENT TRUST
FUND, 1999-2001 BIENNIUM**

David Laschkewitsch presented the following Water Development Trust Fund recap for the 1999-2001 biennium:

Beginning Balance - June 30, 1999	\$ 0
Total Revenue Received During 1999-2001 Biennium	23,805,353
Expenditures	0
Balance in Water Development Trust Fund - June 30, 2001	\$ 23,805,353

**FINANCIAL STATEMENT -
WATER DEVELOPMENT TRUST
FUND, 2001-2003 BIENNIUM**

David Laschkewitsch presented the following summarization of projected revenues for the Water Development Trust Fund for the 2001-2003 biennium:

Beginning Balance - July 1, 2001	\$ 23,805,353
Estimated Biennium Revenue	23,882,800
Less: General Fund Transfer	(9,733,820)
State Health Department Transfer	(100,000)
Total Revenue Estimate	\$ 37,854,333
Water Development Trust Fund Authority in Agency Budget	\$ 37,631,684

Mr. Laschkewitsch explained the estimated revenue exceeds the agency's spending authority by \$222,649. This is due to slightly higher receipts into the Water Development Trust Fund than projected. The 1999 Legislature placed a restriction on the funds the State Water Commission may obligate from the Water Development Trust Fund. That restriction allows the commitment of 75 percent of the appropriated amount, which is \$28,223,763. The remaining 25 percent may be obligated to the extent that uncommitted funds are available in the Water Development Trust Fund. The State Water Commission has outstanding bond payment of \$5,430,398; therefore, the balance available for new projects from the Water Development Trust Fund is \$22,793,365.

**FINANCIAL STATEMENT -
APPROVAL OF 1999-2001
BIENNIUM CARRYOVER
PROJECTS INTO 2001-2003
BIENNIUM**

Secretary Frink stated that traditionally water projects require several years to implement due to delays in obtaining permits and/or to obtain full funding. Project contracts that were previously obligated for cost share

from the Contract Fund, but not completed by June 30, 2001, were presented for the Commission's consideration for continuation in the 2001-2003 biennium. The total cost share obligation for incomplete projects is \$5,355,604. The complete listing of the carryover projects is contained in *APPENDIX "C"*.

It was the recommendation of the State Engineer that the State Water Commission continue its cost share obligation from the Contract Fund for the incomplete projects, in the amount of \$5,355,604, to June 30, 2003.

It was moved by Commissioner Johnson and seconded by Commissioner Hanson that the State Water Commission continue its cost share obligation from the Contract Fund for the incomplete projects, in the amount of \$5,355,604, to June 30, 2003.

Commissioners Halcrow, Hanson, Hillesland, Hofstad, Johnson, Olin, Swenson, Thompson, and Governor Hoeven voted aye. There were no nay votes. Governor Hoeven announced the motion unanimously carried.

**FINANCIAL STATEMENT -
APPROVAL OF CARRYOVER OF
\$4 MILLION FOR GRAND FORKS
FLOOD CONTROL PROJECT, UNDER
AUTHORITY OF 1999 SENATE
BILL 2188, TO JUNE 30, 2003
(SWC Project Nos. 830 and 1907-02)**

The city of Grand Forks estimated \$23 million would be required during the 1999-2001 biennium for the Grand Forks Flood Control project. The city later revised its estimate to \$18 million for the biennium, with the actual payment requests totalling approximately \$14 million.

David Laschkewitsch explained that \$18.4 million was included in the agency budget for the 2001-2003 biennium. The carryover of \$4 million from the 1999-2001 biennium, in addition to \$18.4 million approved for the 2001-2003 biennium, will provide \$22.4 million for the Grand Forks Flood Control project. The city of Grand Forks has indicated the project will need approximately \$22.4 million during the 2001-2003 biennium.

It was the recommendation of the State Engineer that the State Water Commission approve the carryover of \$4 million, under the authority of 1999 Senate Bill 2188, to June 30, 2003 for the Grand Forks Flood Control project.

It was moved by Commissioner Olin and seconded by Commissioner Hillesland that the State Water Commission approve the carryover of \$4 million, under the authority of 1999 Senate Bill 2188, to June 30, 2003 for the Grand Forks Flood Control project.

Commissioners Halcrow, Hanson, Hillesland, Hofstad, Johnson, Olin, Swenson, Thompson, and Governor Hoeven voted aye. There were no nay votes. Governor Hoeven announced the motion unanimously carried.

**FINANCIAL STATEMENT -
APPROVAL OF CARRYOVER OF
1999-2001 NON-FEDERAL FUNDS
FOR CITY OF GRAFTON FLOOD
CONTROL PROJECT, UNDER
AUTHORITY OF 1999 SENATE
BILL 2188, TO JUNE 30, 2003
(SWC Project Nos. 1771 and 1907-02)**

On September 11, 2000, the State Water Commission approved \$167,000 of the non-federal funds for the city of Grafton Flood Control project, under the authority of 1999 Senate Bill 2188, contingent upon the city of Grafton satisfying all of the legislative requirements of 1999 Senate Bill 2188. These funds were not requested by the city of Grafton in the 1999-2001 biennium.

It was the recommendation of the State Engineer that the State Water Commission approve the 1999-2001 biennium carryover of \$167,000 of the non-federal funds for the city of Grafton Flood Control project, under the authority of 1999 Senate Bill 2188, to June 30, 2003.

It was moved by Commissioner Johnson and seconded by Commissioner Thompson that the State Water Commission approve the 1999-2001 biennium carryover of \$167,000 of the non-federal funds to June 30, 2003 for the city of Grafton Flood Control project, under the authority of 1999 Senate Bill 2188.

Commissioners Halcrow, Hanson, Hillesland, Hofstad, Johnson, Olin, Swenson, Thompson, and Governor Hoeven voted aye. There were no nay votes. Governor Hoeven announced the motion unanimously carried.

**APPROVAL OF RURAL FLOOD
CONTROL PROJECTS COST
SHARE LIMITATION OF
\$200,000 DURING 2001-2003
BIENNIUM
(SWC Project No. AS/SWC/POL)**

On August 13, 1998, the State Water Commission adopted a policy to limit the funding for rural flood control projects to 5 percent of new funding for general projects per biennium for any specific project. For the first affected biennium, the limitation was

\$150,000, and for the 1999-2001 biennium the limitation was \$136,000. The limitation was calculated as 5 percent of the beginning contract fund balance less carryovers and other commitments.

Secretary Frink stated that for the 2001-2003 biennium, the agency budget was developed with funds available from both the Resources Trust Fund and the Water Development Trust Fund. The new funding for general projects in the 2001-2003 biennium is \$5 million, of which 5 percent of that figure is \$250,000. Upon consideration of the competing demands for the \$5 million, Secretary Frink said a limitation of \$250,000 for rural flood control projects could result in the funds being committed to only a few projects.

Secretary Frink explained the current rural flood control cost share policy also has allowed project sponsors to request additional funding for a given project during subsequent bienniums. He suggested limiting projects to funding in only one biennium which would help to achieve a more equitable distribution of the Contract Fund.

It was the recommendation of the State Engineer that the State Water Commission approve a \$200,000 funding limitation for rural flood control projects during the 2001-2003 biennium, and that amounts above \$200,000 not be carried over into subsequent bienniums.

The rural flood control cost share policy was discussed at length and because of the concerns expressed by the Commission members relating primarily to cost share carryover into subsequent bienniums, Governor Hoeven appointed a committee consisting of Commissioners Halcrow, Hillesland, Swenson and Thompson to work with the Commission staff and others to develop a comprehensive plan for rural flood control projects for the Commission consideration at its next meeting. No action was taken by the Commission at this meeting on the portion of the State Engineer's recommendation relating to 'amounts above \$200,000 not be carried over into subsequent bienniums'.

It was moved by Commission Johnson and seconded by Commissioner Swenson that the State Water Commission approve a \$200,000 funding limitation per specific project for rural flood control projects during the 2001-2003 biennium.

Commissioners Halcrow, Hanson, Hillesland, Hofstad, Johnson, Olin, Swenson, Thompson, and Governor Hoeven voted aye. There were no nay votes. Governor Hoeven announced the motion unanimously carried.

**APPROVAL OF REQUEST
FROM SHEYENNE RIVER
JOINT WATER RESOURCE
DISTRICT FOR ADDITIONAL
COST SHARE OF \$1,250,500 FOR
BALDHILL DAM FLOOD POOL
RAISE PROJECT
(SWC Project No. 300)**

A request from the Sheyenne River Joint Water Resource District was presented for the Commission's consideration for additional cost share of a five-foot raise at Baldhill Dam. The pool raise would potentially store an additional 30,700 acre-feet of water.

On December 10, 1999, the State Water Commission approved an expenditure of \$250,000 from the Contract Fund in the 1999-2001 biennium for the project, contingent upon the availability of funds. The Commission also approved a resolution of support for the project,

which included a declaration of intent seeking additional project funding in future bienniums, subject to legislative approval. At its meeting on September 11, 2000, the State Water Commission approved an additional cost share of \$99,500, for a total state contribution of \$349,500 for the construction portion of the project.

The Baldhill Dam flood pool raise project meets the current State Water Commission's policy and guidelines for cost share up to 50 percent of the eligible costs for flood control projects. The Sheyenne River Joint Water Resource District estimated the total non-federal project cost at \$3.5 million, of which \$3.5 million less the \$300,000 in administrative costs which are not considered eligible for cost share, leaves \$3.2 million of eligible non-federal costs. A 50 percent cost share of the eligible non-federal costs is \$1,600,000. The request before the State Water Commission is to cost share in the remaining balance of \$1,250,500 (\$1,600,000 less the \$349,500 previously approved by the Commission) for the non-federal portion of the project.

Secretary Frink explained that the State Water Commission normally does not cost share in land acquisition for non-federal projects, however, for federal projects most of the non-federal cost is land related, and the Commission has agreed to cost share in the actual land cost. Therefore, it was the State Engineer's recommendation that the State Water Commission cost share on land and relocation costs for this project.

It was the recommendation of the State Engineer that the State Water Commission approve an additional cost share with the Sheyenne River Joint Water Resource District for 50 percent of the eligible non-federal costs, not to exceed \$1,250,500 from the funds appropriated to the State Water Commission in the 2001-2003 biennium, in the Baldhill Dam flood pool raise project, contingent upon the availability of funds.

It was moved by Commissioner Olin and seconded by Commissioner Johnson that the State Water Commission approve an additional expenditure of \$1,250,500 from the funds appropriated to the State Water Commission in the 2001-2003 biennium, for the Baldhill Dam flood pool raise project. This motion is contingent upon the availability of funds.

This action increases the total state cost share contribution to \$1,600,000 for the Baldhill Dam flood pool raise project.

Commissioners Halcrow, Hanson, Hillesland, Hofstad, Johnson, Olin, Swenson, Thompson, and Governor Hoeven voted aye. There were no nay votes. Governor Hoeven announced the motion unanimously carried.

**APPROVAL OF REQUEST FROM
NORTH CASS WATER RESOURCE
DISTRICT FOR ADDITIONAL
COST SHARE IN CASS COUNTY
DRAIN NO. 13 RECONSTRUCTION
(SWC Project No. 1069)**

A request from the North Cass Water Resource District was presented for the Commission's consideration for an additional cost share on the reconstruction of Cass County Drain No. 13.

Todd Sando, Assistant State Engineer, presented the project. The project consists of reconstructing the lower five miles of the drain, excluding the outlet. This is an assessment drain which did not receive approval from the landowners for assessing the reconstruction costs, therefore, the District is using maintenance funds as they become available to do the project. The engineer's original cost estimate for the project was \$1,060,000, of which \$921,675 was considered eligible for a 35 percent cost share (\$322,586).

On December 21, 1998, the State Water Commission passed a motion approving a 35 percent cost share in the amount of \$150,000 from the Contract Fund, and deferred action on the remaining cost share request. On April 10, 2000, the State Water Commission passed a motion approving a cost share of 35 percent of the eligible items for an additional amount of \$136,000, and deferred action on the remaining cost share request.

The revised engineer's estimate of the project costs is \$1,351,415, of which \$1,080,339 is considered eligible for a 35 cost share (\$376,131).

It was the recommendation of the State Engineer that the State Water Commission approve a cost share of 35 percent of the eligible items, not to exceed an additional \$90,131 from the funds appropriated to the State Water Commission in the 2001-2003 biennium, for the Cass County Drain No. 13 reconstruction project. Affirmative action by the State Water Commission will increase the total state contribution to \$376,131 for Cass County Drain No. 13.

William Hejl, Rush River Water Resource District, provided technical information relative to the reconstruction project, and expressed appreciation to the Commission for its support.

It was moved by Commissioner Hanson and seconded by Commissioner Hofstad that the State Water Commission approve a cost share of 35 percent of the eligible items, not to exceed an additional \$90,131 from the funds appropriated to the State Water Commission in the 2001-2003 biennium, for Cass County Drain No. 13. This motion is contingent upon the availability of funds.

This action increases the State Water Commission's total cost share contribution to \$376,131.

Commissioners Halcrow, Hanson, Hillesland, Hofstad, Johnson, Olin, Swenson, Thompson, and Governor Hoeven voted aye. There were no nay votes. Governor Hoeven announced the motion unanimously carried.

**APPROVAL OF REQUEST FROM
MAPLE RIVER WATER RESOURCE
DISTRICT FOR ADDITIONAL COST
SHARE IN CASS COUNTY DRAIN NO.
14 RECONSTRUCTION PROJECT
(SWC Project No. 1070)**

A request from the Maple River Water Resource District was presented for the Commission's consideration for an additional cost share on the reconstruction of Cass County Drain No. 14.

Todd Sando presented the project, which involves the reconstruction of 4.5 miles of Cass County Drain No. 14 in Cass County. The portion of the drain to be enhanced is located in Sections 20, 29 and 32, Township 139 North, Range 50 West, and in Sections 5, 7 and 18, Township 138 North, Range 50 West.

The engineer's original cost estimate for this portion of the drain reconstruction was \$800,000, of which \$720,000 was considered eligible for a 35 percent cost share. On April 10, 2001, the State Water Commission passed a motion approving a 35 percent cost share of the eligible items, not to exceed \$136,000, and deferred the remaining balance for consideration in the 2001-2003 biennium.

The Maple River Water Resource District attempted to establish an assessment drain to reconstruct the entire drain at one time, however, the vote did not receive support because of the landowners' financial capability. The District decided to proceed with a portion of the project using available drain funds and future maintenance funds, with the intent of completing the project as funds become available.

The project engineer submitted a revised cost estimate for this portion of the drain reconstruction of \$1,069,000, of which \$1,004,254 is considered eligible for a 35 percent cost share (\$351,489). The request before the State Water Commission is to cost share in the remaining balance of \$215,489. Under the State Water Commission's policy and guidelines for rural flood control projects, funding is limited to 5 percent of new funding per biennium for any specific project, and a \$200,000 funding limitation during the 2001-2003 biennium.

It was the recommendation of the State Engineer that the State Water Commission approve a cost share of 35 percent of the eligible items, not to exceed an additional \$200,000 from the funds appropriated to the State Water Commission in the 2001-2003 biennium, for the Cass County Drain No. 14 reconstruction project. Affirmative action by the State Water Commission would increase the state's cost share contribution to \$336,000.

Jeffrey Volk, Moore Engineering, West Fargo, ND, provided technical information relative to the project, and outlined the plans for completion.

It was moved by Commissioner Thompson and seconded by Commissioner Hanson that the State Water Commission approve a cost share of 35 percent of the eligible items, not to exceed an additional \$200,000 from the funds appropriated to the State Water Commission in the 2001-2003 biennium, for Cass County Drain No. 14. This motion is contingent upon the availability of funds.

This action increases the total State Water Commission cost share contribution to \$336,000.

Commissioners Halcrow, Hanson, Hillesland, Hofstad, Johnson, Olin, Swenson, Thompson, and Governor Hoeven voted aye. There were no nay votes. Governor Hoeven announced the motion unanimously carried.

**APPROVAL OF REQUEST FROM
SOUTHEAST CASS WATER
RESOURCE DISTRICT FOR
ADDITIONAL COST SHARE IN
CONSTRUCTION OF CASS
COUNTY DRAIN NO. 21
(SWC Project No. 1075)**

A request from the Southeast Cass Water Resource District was presented for the Commission's consideration for an additional cost share in **RE-**the reconstruction of Cass County Drain No. 21.

Todd Sando presented the project. The reconstruction project consists of lowering the existing channel bottom approximately one foot and flattening the channel side slopes from the existing 3:1 to 4:1. Included in the reconstruction is the removal of a section line road bridge and replacing it with three 14-foot square box culverts. The project will start at the drain's outlet into the Sheyenne River and proceed in a southerly direction upstream for approximately 1.3 miles.

The original estimated project cost was \$605,000, of which \$585,000 was considered eligible for a 35 percent cost share. At its meeting on July 14, 2000, the State Water Commission approved a 35 percent

cost share not to exceed \$136,000 from the Contract Fund in the 1999-2001 biennium. The remainder of the cost share request was deferred for consideration during the 2001-2003 biennium.

The engineer's revised estimated project cost is \$800,000, of which \$765,000 is considered eligible for a 35 percent cost share (\$267,750). The request before the State Water Commission is to cost share in the remaining balance of \$131,750.

It was the recommendation of the State Engineer that the State Water Commission approve a cost share of 35 percent of the eligible items, not to exceed \$131,750 from the funds appropriated to the State Water Commission in the 2001-2003 biennium, for the reconstruction of Cass County Drain No. 21, contingent upon the availability of funds. Affirmative action by the State Water Commission would increase the State Water Commission's cost share contribution to \$267,750.

Jeffrey Volk, Moore Engineering, West Fargo, ND, provided technical information relative to the project.

It was moved by Commissioner Hofstad and seconded by Commissioner Halcrow that the State Water Commission approve a cost share of 35 percent of the eligible items, not to exceed \$131,750 from the funds appropriated to the State Water Commission in the 2001-2003 biennium, for Cass County Drain No. 21. This motion is contingent upon the availability of funds.

This action increases the State Water Commission's total cost share contribution to \$267,750.

Commissioners Halcrow, Hanson, Hillesland, Hofstad, Johnson, Olin, Swenson, Thompson, and Governor Hoeven voted aye. There were no nay votes. Governor Hoeven announced the motion unanimously carried.

**APPROVAL OF REQUEST FROM
NORTH CASS AND RUSH RIVER
JOINT WATER RESOURCE DISTRICT
FOR ADDITIONAL COST SHARE ON
CONSTRUCTION OF CASS COUNTY
DRAIN NO. 29A
(SWC Project No. 1081)**

A request from the North Cass and Rush River Joint Water Resource District was presented for the Commission's consideration for an additional cost share of the construction of Cass County Drain No. 29A.

Todd Sando presented the project, which is an assessment drain established along the east-west boundary line of Arthur, Amenia, Gunkel, Gardner, Rush River, and Berlin townships. The

drain will be located immediately west of Argusville, ND. The main channel begins on the north side of the corporate limits of Argusville at Interstate Highway 29 and extends west to ND State Highway 18. This is on the borderline between Townships 141 and 142 North, Ranges 50, 51 and 52 West. The project consists of enhancing 13.5 miles of existing section line road ditches, which includes the installation of section line road culverts.

The original engineer's cost estimate for the construction of Cass County Drain No. 29A was \$1,220,000, of which \$713,555 was considered eligible for a 35 percent cost share. On July 14, 2000, the State Water Commission approved a 35 percent cost share expenditure of the eligible items not to exceed \$136,000. The remainder of the cost share request was deferred for consideration during the 2001-2003 biennium.

The revised project engineer's cost estimate is \$1,205,000, of which \$975,000 is considered eligible for a 35 percent cost share (\$341,250). The request before the State Water Commission is for a 35 percent cost share for an additional amount of \$205,250. Under the State Water Commission's policy and guidelines for rural flood control projects, funding is limited to 5 percent of new funding per biennium for any specific project, and a \$200,000 funding limitation during the 2001-2003 biennium.

It was the recommendation of the State Engineer that the State Water Commission approve a cost share of 35 percent of the eligible items, not to exceed an additional \$200,000 from the funds appropriated to the State Water Commission in the 2001-2003 biennium, for the construction of Cass County Drain No. 29A. Affirmative action by the State Water Commission will increase the total state cost share contribution to \$336,000.

It was moved by Commissioner Hanson and seconded by Commissioner Olin that the State Water Commission approve a cost share of 35 percent of the eligible items, not to exceed an additional \$200,000 from the funds appropriated to the State Water Commission in the 2001-2003 biennium, for the construction of Cass County Drain No. 29A. This motion is contingent upon the availability of funds.

This action increases the State Water Commission's cost share contribution to \$336,000.

Commissioners Halcrow, Hanson, Hillesland, Hofstad, Johnson, Olin, Swenson, Thompson, and Governor Hoeven voted aye. There were no nay votes. Governor Hoeven announced the motion unanimously carried.

**APPROVAL OF REQUEST FROM
SOUTHEAST CASS WATER
RESOURCE DISTRICT FOR
ADDITIONAL COST SHARE
IN CASS COUNTY DRAIN NO.
40 RECONSTRUCTION PROJECT
(SWC Project No. 1090)**

A request from the Southeast Cass Water Resource District was presented for the Commission's consideration for an additional cost share on the Cass County Drain No. 40 reconstruction project.

Todd Sando presented the project, which is a part of a long-range plan for the drainage system, and involves realigning the natural watercourse and deepening and widening the channel. The project will proceed from Interstate Highway 29 to Cass County Highway 31. This drain is also the outlet channel for Cass County Drain No. 45.

The engineer's original cost estimate for this portion of the drain reconstruction was \$820,000, of which \$677,500 was considered eligible for a 35 percent cost share. On April 10, 2000, the State Water Commission approved a 35 percent cost share of \$136,000, and deferred the remainder of the cost share request for consideration during the 2001-2003 biennium.

The revised project engineer's cost estimate is \$799,254, of which \$659,622 is considered eligible for a 35 percent cost share (\$230,868). The request before the State Water Commission is to cost share in the amount of \$94,868.

It was the recommendation of the State Engineer that the State Water Commission approve a cost share of 35 percent of the eligible items, not to exceed an additional \$94,868 from the funds appropriated to the State Water Commission in the 2001-2003 biennium, for the Cass County Drain No. 40 reconstruction project. Affirmative action by the State Water Commission would increase the total state's cost share contribution to \$230,868.

It was moved by Commissioner Johnson and seconded by Commissioner Olin that the State Water Commission approve a cost share of 35 percent of the eligible items, not to exceed an additional \$94,868 from the funds appropriated to the State Water Commission in the 2001-2003 biennium, for Cass County Drain No. 40. This motion is contingent upon the availability of funds.

This action increases the State Water Commission's total cost share contribution to \$230,868.

Commissioners Halcrow, Hanson, Hillesland, Hofstad, Johnson, Olin, Swenson, Thompson, and Governor Hoeven voted aye. There were no nay votes. Governor Hoeven announced the motion unanimously carried.

APPROVAL OF REQUEST FROM GRAND FORKS COUNTY WATER RESOURCE DISTRICT FOR COST SHARE IN GRAND FORKS COUNTY DRAIN NO. 27A PROJECT (SWC Project No. 1117)

A request from the Grand Forks County Water Resource District was presented for the Commission's consideration for cost share in the construction of Grand Forks County Drain No. 27A.

Todd Sando presented the request, which is proposed to originate in Section 21, Township 149 North, Range 49 West, of Americus Township as a distributary from Grand Forks County Drain No. 27 diverting 140 cubic feet per second to the east. At its juncture with Americus Township Drain No. 1, the drain would pick up an additional 50 cfs, and accumulate 60 cfs more of local runoff along the remainder of the alignment before outletting into the Red River at a point near the quarterline of Section 16 in Bentru Township, a total distance of approximately 5 1/4 miles.

The purpose of the project is to reduce flood damage to agriculture properties along the path of the proposed drain and also to relieve the excess water burden placed on Cole Creek to the north by both Grand Forks County Drain No. 27 and Americus Township Drain No. 1.

At the July 14, 2000 meeting, the State Water Commission directed the State Engineer to provide the analysis of downstream impacts in all memorandums to the Commission recommending state cost share in rural flood control projects. Pursuant to this directive, the State Engineer notified the water resource districts bordering the Red River that all cost share requests received after July 14, 2000 must include information regarding the change in total runoff volume and the incremental change to the hydrograph for a 10, 25 and 50-year event measured at both the project outlet and immediately downstream on the receiving stream. Mr. Sando indicated this information was not provided by the Grand Forks County Water Resource District for the Grand Forks County Drain No. 27A cost share request.

The engineer's cost estimate for the construction of the Grand Forks County Drain No. 27A project is \$819,000, of which \$736,500 is considered eligible for a 35 percent cost share (\$257,775). The request before the State Water Commission is to cost share in the amount of \$257,775. Under the State Water Commission's policy and guidelines for rural flood control projects, funding is limited to 5 percent of new funding per biennium for any specific project, and a \$200,000 funding limitation during the 2001-2003 biennium.

Jerry Pribula, project engineer, indicated the Grand Forks County Water Resource District was unaware at the time the request for cost share funding was submitted of the requirement relative to the downstream impacts analysis. He stated this requirement will be satisfied the week of August 20, 2001. Mr. Pribula provided technical information relative to the proposed project, and requested the Commission to favorably consider the request for cost share contingent upon the District satisfying the requirement relating to the downstream impacts analysis.

It was the recommendation of the State Engineer that the State Water Commission approve a 35 percent cost share for the Grand Forks County Drain No. 27A project, not to exceed \$200,000 from the funds provided to the State Water Commission in the 2001-2003 biennium, contingent upon the Grand Forks County Water Resource District satisfying the downstream impacts analysis requirement, and provided the analysis indicates the project will not cause an increase in the total runoff volume.

It was moved by Commissioner Hillesland and seconded by Commissioner Hanson that the State Water Commission approve a 35 percent cost share of the eligible items, not to exceed \$200,000 from the funds appropriated to the State Water Commission in the 2001-2003 biennium, for the Grand Forks County Drain No. 27A project. This motion is contingent upon the availability of funds; the Grand Forks County Water Resource District satisfying the downstream impacts analysis requirement; and provided the analysis indicates the project will not cause an increase in the total runoff volume.

Commissioners Halcrow, Hanson, Hillesland, Hofstad, Johnson, Olin, Swenson, Thompson, and Governor Hoeven voted aye. There were no nay votes. Governor Hoeven announced the motion unanimously carried.

**APPROVAL OF REQUEST FROM
RICHLAND COUNTY WATER
RESOURCE DISTRICT FOR
ADDITIONAL COST SHARE IN
RICHLAND COUNTY DRAIN NO. 95
(SWC Project No. 1900)**

A request from the Richland County Water Resource District was presented for the Commission's consideration for an additional cost share on the Richland County Drain No. 95 project.

Todd Sando presented the completed project. The project consists of three laterals coming into the main ditch which are improvements to section line road ditches and the fourth lateral is an

improvement to the natural watercourse, which is a tributary to Antelope Creek. The original engineer's cost estimate for the project was \$1,220,110, of which \$925,435 was considered eligible for a 40 percent cost share in the amount of \$370,200.

Previously approved cost share actions by the State Water Commission include: July 22, 1997, a 40 percent cost share in the amount of \$100,000 from the Contract Fund (deferral on remainder of request); December 21, 1998, an additional \$50,000 for the project (deferral on remainder of request); and December 10, 1999, a 40 percent cost share of the eligible items in the amount of \$136,000 (deferral on remainder of request for consideration in 2001-2003 biennium). The total state cost share contribution is \$286,000.

The project has been completed and is operational. The final revised project cost is \$1,715,000, of which \$1,302,202 is considered eligible for a 40 percent cost share (\$520,880). The request before the State Water Commission is to cost share in the remaining balance of \$234,880. Under the State Water Commission's policy and guidelines for rural flood control projects, funding is limited to 5 percent of new funding per biennium for any specific project, and a \$200,000 funding limitation in the 2001-2003 biennium. Secretary Frink stated since the project was approved under the 40 percent cost share guidelines for rural flood control projects, it would be appropriate to use the 40 percent guidelines for the additional cost share request, although the funding would be limited to \$200,000.

It was the recommendation of the State Engineer that the State Water Commission approve a 40 percent cost share of the eligible items, not to exceed an additional \$200,000 from the funds appropriated to the State Water Commission in the 2001-2003 biennium, for Richland County Drain No. 95.

It was moved by Commissioner Olin and seconded by Commissioner Hofstad that the State Water Commission approve a cost share of 40 percent of the eligible items, not to exceed an additional \$200,000 from the funds appropriated to the State Water Commission in the 2001-2003 biennium, for Richland County Drain No. 95. This motion is contingent upon the availability of funds.

This action increases the State Water Commission's cost share contribution to \$486,000.

Commissioners Halcrow, Hanson, Hillesland, Hofstad, Johnson, Olin, Swenson, Thompson, and Governor Hoeven voted aye. There were no nay votes. Governor Hoeven announced the motion unanimously carried.

APPROVAL OF REQUEST FROM STEELE COUNTY WATER RESOURCE DISTRICT FOR ADDITIONAL COST SHARE ON CONSTRUCTION OF STEELE COUNTY DRAIN NO. 4 (SWC Project No. 1911)

A request from the Steele County Water Resource District was presented for the Commission's consideration for an additional cost share on the construction of the Steele County Drain No. 4.

Todd Sando presented the project, which is an assessment drain established in Steele, Grand Forks, and Traill counties. The project consists of cleaning and enhancing existing section line roads and railroad rights-of-way ditches. Included in the project is the installation of roadway culverts.

The drain is located immediately northwest of Hatton, ND. The main channel and three laterals are along the section lines of the 10 sections in the extreme northeast corner of Newburgh township in Steele county. Two short-length laterals from Sections 34 and 35, Northwood township, Grand Forks county come into the main channel running along the Steele-Grand Forks county line. Drain No. 4 discharges into a tributary of the Goose River in Section 13, Newburgh township, which exits into Traill county approximately one mile south in Section 24.

The engineer's cost estimate for this project was \$556,934, of which \$455,414 was considered eligible for a 35 percent cost share. At its meeting on July 14, 2000, the State Water Commission approved a 35 percent cost share, not to exceed \$136,000 from the Contract Fund in the 1999-2001 biennium. The remainder of the cost share request was deferred for consideration in the 2001-2003 biennium. The request before the State Water Commission is to cost share in the remainder of the request in the amount of \$23,395.

It was the recommendation of the State Engineer that the State Water Commission approve a cost share of 35 percent of the eligible items, not to exceed an additional \$23,395 from the funds appropriated to the State Water Commission in the 2001-2003 biennium, for the Steele County Drain No. 4 project. Affirmative action by the State Water Commission would increase the total state cost share contribution to \$159,395.

It was moved by Commissioner Swenson and seconded by Commissioner Halcrow that the State Water Commission approve a cost share of 35 percent of the eligible items, not to exceed an additional \$23,395 from the funds appropriated to the State Water Commission in the 2001-2003 biennium, for Steele County Drain No. 4. This motion is contingent upon the availability of funds.

Commissioners Halcrow, Hanson, Hillesland, Hofstad, Johnson, Olin, Swenson, Thompson, and Governor Hoeven voted aye. There were no nay votes. Governor Hoeven announced the motion unanimously carried.

**CARLISLE DAIRY PARTNERSHIP,
PEMBINA COUNTY
(SWC Project No. 237-NOR)**

water supply system for the proposed Carlisle Dairy Partnership in Pembina county. The request is for funding Phase I in 2001 and funding Phase II in 2002. The dairy intends to have Phase I operational in January, 2002. The time frame of constructing Phase I will not allow time to meet the Municipal, Rural and Industrial (MR&I) Water Supply program guidelines, although a MR&I grant may be possible for Phase II.

Secretary Frink informed the State Water Commission that a request was received from the North Valley Water District to fund a portion of the

The total water costs are \$450,000 for Phase I and \$1,600,000 for Phase II. Phase I would connect 4 miles of pipeline from the dairy to an existing North Valley Water District pipeline. Phase II would install 18 miles of pipeline to provide a dedicated water supply to the dairy. Phases I and II would each serve one barn of 3,200 lactating and 400 dry cows. The siting of the dairy was based on a quantitative appraisal of land use, transportation, power, forage supply, water, and environmental conditions. The dairy would be an economic development for Pembina County with estimated annual sales of \$11 million. Once fully developed, the dairy will employ 45 people. The partnership consists of investors and several farmers who will sell feed to the dairy. Previously, the State Water Commission has provided funds to a corn processing plant, sugar beet plants, and a dairy.

The Attorney General's office completed a review and determined granting funds to a dairy is consistent with state law. The review included a reference that courts have determined that grants made to promote economic development serves a public purpose. Secretary Frink stated a recommendation for cost share assistance may be presented for the State Water Commission's consideration at a future meeting.

**APPROVAL OF REQUEST FROM
RED RIVER BASIN BOARD FOR
EXPENDITURE OF \$100,000 IN
FISCAL YEAR 2001; AND
APPROVAL TO MODIFY \$20,000
ALLOCATION AGREEMENT TO
PROVIDE FOR LOCAL OUTREACH
(SWC Project No. AOC/RRB)**

The Red River Basin Board was organized in 1997 to develop and cause to be implemented, a comprehensive water management plan for the Red River basin addressing the needs on a watershed basis and to facilitate and pursue the resolution of inter-jurisdictional issues.

Economic and social growth potential in eastern North Dakota have been and will continue to be complicated by the condition and variability of the region's water resources. LeRoy Klapprodt, Director, State Water Commission's Planning and Education Division, stated an important juncture in supporting the needs of the people in this region has been reached, but many management decisions still remain which basically involve working with our neighboring states and province. He said it is fortunate that the Red River Basin Board is in place to facilitate the development of a basinwide plan built on common goals and objectives. Since the Board's inception in 1997, Mr. Klapprodt said a positive relationship among the local, state and province members has developed and will be conducive to better water management decisions.

Lance Yohe was hired as the Red River Basin Board's Executive Director on July 1, 2001. Mr. Yohe expressed appreciation to the State Water Commission for its past support, and said he is looking forward to a continued working relationship with the Board and the Commission to address the water management issues in the Red River basin.

In order for the Red River Basin Board to initiate holistic water management throughout the basin, Mr. Yohe said individuals involved in water management need to be encouraged to consider the impacts that individual projects, policies, and programs have on the Red River basin as a whole. The Board is developing a project, an Overview Analysis, that will begin to identify the jurisdictional and individual professional judgments, preferences, and historic impediments that need to be overcome before water management from a basinwide perspective can occur. The project will consist of three phases over three to four years.

Mr. Yohe said successful completion of the Overview Analysis project will provide the State Water Commission with important information regarding potential policy and political issues in neighboring jurisdictions that could impede implementation of water resource projects in North Dakota, as well as opportunities to resolve those issues.

A request was presented for the State Water Commission's consideration to provide an allocation of \$100,000 to the Red River Basin Board's Overview Analysis, Phase I, beginning July 1, 2001 and ending June 30, 2002. Minnesota has approved \$200,000 for the 2001-2003 biennium to the Red River Basin Board.

On March 6, 2001, the State Water Commission passed a motion approving an allocation of \$20,000 to the Red River Basin Board to conduct water and land management needs identification public

meetings in the Red River basin, and to compile and distribute a summary report. These funds were North Dakota's remaining contribution for the period July 1, 2000 to June 30, 2001.

A request was presented for the State Water Commission's consideration to modify the current \$20,000 agreement with the Red River Basin Board to provide for local outreach. The following changes are proposed:

- 1) The original project was to include seven face-to-face forum meetings with the general public, three of which were to be conducted within North Dakota. In place of that, the Red River Basin Board would like to conduct multiple outreach meetings with individual counties, cities, rural municipalities, and watersheds throughout the basin.
- 2) Information presented at the outreach meetings will relate specifically to the Red River Basin Board's efforts in facilitating water management. Information gathered will include needs of the local entity as related to water management, insight as to how current Board activities address those needs, and how the Board can better serve local interests in the future.
- 3) The completion date will be December 31, 2001.

It was the recommendation of the State Engineer that the State Water Commission approve \$100,000 from the funds appropriated to the State Water Commission in the 2001-2003 biennium, for the Red River Basin Board's Overview Analysis, Phase I, project beginning July 1, 2001 and ending June 30, 2002. It was also the recommendation of the State Engineer that the State Water Commission approve the modification of the \$20,000 allocation agreement with the Red River Basin Board (approved by the State Water Commission on March 6, 2001) to provide for local outreach.

It was moved by Commissioner Johnson and seconded by Commissioner Hillesland that the State Water Commission:

- 1) approve the allocation of \$100,000 from the funds appropriated to the State Water Commission in the 2001-2003 biennium for the Red River Basin Board's Overview Analysis, Phase I, project beginning July 1, 2001 and ending June 30, 2002. These funds are to be used as a partial match for Minnesota's \$200,000 grant to the Red River Basin Board; and***

2) modify the \$20,000 allocation agreement with the Red River Basin Board (approved by the State Water Commission on March 6, 2001) to provide for local outreach. This motion is contingent upon the availability of funds.

Commissioners Halcrow, Hanson, Hillesland, Hofstad, Johnson, Olin, Swenson, Thompson, and Governor Hoeven voted aye. There were no nay votes. Governor Hoeven announced the motion unanimously carried.

**APPROVAL OF REQUEST
FROM NORTH DAKOTA WATER
EDUCATION FOUNDATION FOR
ALLOCATION OF \$18,000 FOR
PARTICIPATION IN NORTH
DAKOTA WATER MAGAZINE
FROM JULY 1, 2001 TO JUNE 30, 2002
(SWC File No. AOC/WEF)**

A request from the North Dakota Water Education Foundation was presented for the Commission's consideration to continue its participation in the *North Dakota Water* magazine from July 1, 2001 to June 30, 2002.

The State Water Commission has contributed to this effort since 1994 to support the magazine and its own pages, the monthly "Oxbow" section and the "Water Primer" section. Secretary Frink said that with the Commission's support, the *North Dakota Water* magazine provides continued communication among people interested in North Dakota's water resources.

It was the recommendation of the State Engineer that the State Water Commission approve the allocation of \$18,000, from the funds appropriated to the State Water Commission for the 2001-2003 biennium, to the North Dakota Water Education Foundation to assist in the publication of the *North Dakota Water* magazine for the period July 1, 2001 to June 30, 2002.

It was moved by Commissioner Hofstad and seconded by Commissioner Hanson that the State Water Commission approve the allocation of \$18,000, from the funds appropriated to the State Water Commission in the 2001-2003 biennium, to the North Dakota Water Education Foundation to assist in the publication of the North Dakota Water magazine for the period July 1, 2001 to June 30, 2002. This motion is contingent upon the availability of funds.

Commissioners Halcrow, Hanson, Hillesland, Hofstad, Johnson, Olin, Swenson, Thompson, and Governor Hoeven voted aye. There were no nay votes. Governor Hoeven announced the motion unanimously carried.

**APPROVAL OF REQUEST FROM
NORTH DAKOTA WATER RESOURCE
DISTRICTS ASSOCIATION FOR COST
SHARE IN REVISION OF *HANDBOOK
FOR NORTH DAKOTA WATER
MANAGERS*
(SWC Project No. 1751-01)**

A request from the North Dakota Water Resource Districts Association was presented for the Commission's consideration for cost share assistance to revise the *Handbook for North Dakota Water Managers*, and for conducting a series of training workshops for water resource district board members.

Secretary Frink stated an update of the *Handbook for North Dakota Water Managers* is necessary to include information regarding recent statutory changes. In order to disseminate this information, the Association would like to hold 16 regional workshops for water managers within the next 2 years to assist them in carrying out the task of water management at the local level. The workshops would be conducted at 8 locations across the state, with half of the material covered in the first round of workshops and the remaining half addressed the following year.

The total estimated cost of the revision, printing and workshops is \$55,000. The North Dakota Water Resource Districts Association will contribute \$6,000 towards the administrative costs. The request before the State Water Commission is to cost share for the balance in the amount of \$49,000.

It was the recommendation of the State Engineer that the State Water Commission approve the allocation of \$49,000, from the funds appropriated to the State Water Commission in the 2001-2003 biennium, to the North Dakota Water Resource Districts Association for the revision of the *Handbook for North Dakota Water Managers*, contingent upon the availability of funds, and approval by the State Engineer prior to printing of the revised handbook and its accompanying workshop materials.

It was moved by Commissioner Olin and seconded by Commissioner Halcrow that the State Water Commission approve the allocation of \$49,000, from the funds appropriated to the State Water Commission in the 2001-2003 biennium, to the North Dakota Water Resource Districts Association for the revision of the Handbook for North Dakota Water Managers. This motion is contingent upon the availability of funds; and the State Engineer's approval prior to printing of the revised handbook and its accompanying workshop materials.

Commissioners Halcrow, Hanson, Hillesland, Hofstad, Johnson, Olin, Swenson, Thompson, and Governor Hoeven voted aye. There were no nay votes. Governor Hoeven announced the motion unanimously carried.

**GARRISON DIVERSION PROJECT -
PROJECT UPDATE
(SWC Project No. 237)**

Warren Jamison, Garrison Diversion Conservancy District manager, provided an update on the current efforts relating to the continued appro-

priations under the Garrison Diversion Unit including appropriations for ongoing maintenance of the existing facilities, and for the state MR&I program, the Indian MR&I program, and the Red River Valley Water Supply study.

Mr. Jamison requested the State Water Commission's continued participation in the cost for services provided by Will & Carlson relating to the appropriations under the Garrison Diversion Unit.

**GARRISON DIVERSION PROJECT -
SWC MR&I COMMITTEE
(SWC Project No. 237-03)**

On February 9, 1995, a subcommittee was appointed from the State Water Commission to work with the Garrison Diversion Conservancy Dis-

trict to address the concerns relative to the Municipal, Rural and Industrial (MR&I) Water Supply program. Commissioners Swenson, Olin, Bjornson, and DeWitz were appointed to the MR&I subcommittee. (**Note:** Commissioners Bjornson and DeWitz are no longer members of the State Water Commission.)

It was the recommendation of the State Engineer, and concurrence of the State Water Commission, that Commissioners Swenson, Olin, Hanson, and Hillesland be appointed to serve on the State Water Commission's MR&I committee, effective August 16, 2001.

**GARRISON DIVERSION PROJECT -
MR&I WATER SUPPLY PROGRAM
(SWC Project No. 237-03)**

Jeffrey Mattern, MR&I Water Supply program coordinator, provided the following program status report:

All Seasons Rural Water System 5 (Pierce County): The new rural water system would serve 373 rural users and the city of Willow City. The estimated project cost is \$8.15 million. The city of Rugby plans to supply System 5 with a bulk water supply based on receiving an additional water appropriation from the Pleasant Lake aquifer. The Bureau of Reclamation will complete the environmental assessment after the water permit process is completed - a water permit hearing is pending. System 5 is currently approved for a 70 percent grant, not to exceed \$5.71 million.

Bottineau Water Treatment Plant: The city of Bottineau completed a study on the needs for constructing a water treatment plant to address water quality problems. The city considers the Northwest Area Water Supply project as a possible long-term alternative, but given the anticipated time frame of 10 or more years for delivery of water beyond Minot, the city is studying alternative solutions. The city may need to address an alternative for the near term.

McKenzie Rural Water: The proposed McKenzie Rural Water System would serve the area around the city of Watford City. The city has the water treatment plant capacity to serve the proposed rural system and do the rural water billing. The project would serve 90 rural users, with a total cost of \$1.97 million, and a total cost of \$2.59 million to include service to the city of Alexander. The project received approval for a 65 percent MR&I grant of \$32,500 for completing the feasibility study.

McLean-Sheridan Rural Water: The existing rural water system is planning a Phase IV expansion to serve additional rural water users and providing bulk water service to the communities of Underwood and Wilton. The preliminary project cost is \$4.98 to \$8.62 million. The feasibility study is estimated to cost \$57,000. The project received approval for a 65 percent MR&I grant of \$37,050.

Mountrail County Rural Water: The project engineer has completed the preliminary engineering report for a project proposed to service an area in southeastern Mountrail County. The service area extends from south of the city of Parshall to north of the city of Plaza. The system would need to coordinate with the Fort Berthold Indian reservation's proposed water system. The city of Parshall could serve the majority of the service area with potentially the city of New Town serving a portion of the system.

The initial sign-up has 75 rural users, NorthWestern Dairy, LLLP, two campgrounds along Lake Sakakawea, the city of Plaza, and the United States Air Force.

The NorthWestern Dairy, LLLP, is trying to establish water service for a 1,600 dairy herd. The dairy is four miles north of Parshall. The estimated cost of the project is \$3.146 million. The project received a Contract Fund grant for 50 percent of the eligible water supply facilities, not to exceed \$91,240.

Northwest Area Water Supply, Phase 1 (Rugby Component): The upgrade of the Rugby water treatment plant has been completed. The next component for the Rugby water project is the installation of a new water transmission pipeline, which matches the 1,200 gallons per minute

capacity of the water treatment plant. The water permit is being reviewed for an additional water allocation from the Pleasant Lake aquifer, which is from a different location than the current well field. A new location would require an additional 11,000 feet of pipeline. The estimated cost is \$2.8 million. The pipeline design will be finalized and the proposed MR&I grant of \$805,000 will be reviewed after the water permit process is finalized.

Northwest Area Water Supply, Phase 2 (Minot Component): On January 19, 2001, the Secretary of the Department of the Interior signed a determination that the Northwest Area Water Supply project would provide adequate treatment to meet the Boundary Waters Treaty of 1909. Discussions with the Department of the Interior, the Environmental Protection Agency, and the State Department have clarified the commitments of North Dakota in compliance with this determination. A Finding of No Significant Impact (FONSI) was issued, and the project was submitted to the Government of Canada.

The final plans and specifications for the first phase of construction, which includes 7.5 miles of 36-inch and 30-inch pipeline from the Minot water treatment plant south to the intersection of Ward County Road No. 16 and U.S. Highway 83, are presently being reviewed by the Bureau of Reclamation.

Park River/Fordville Aquifer Hydrogeologic Study: The city of Park River is pursuing ground water appropriations from the Fordville aquifer as a new primary source of water. Park River is working with the State Water Commission to determine the Fordville aquifer capacity with respect to current users, existing appropriations, and pending applications. The city's current water supply is from the Homme reservoir. The city is reviewing a project to use ground water as a source, with an estimated cost of \$3.151 million.

Ramsey County Rural Water Expansion: A request has been received from the Ramsey Rural Water District to fund studies for the proposed expansion project covering portions of Eddy, Foster, and Ramsey counties. The District plans to have the studies completed within 60 days at a cost of \$115,000. The studies will include mapping, system hydraulic review, preliminary design/reports, and negotiations with the city of Carrington on potential water service.

The MR&I committee previously recommended MR&I funding of 70 percent, not to exceed \$6,050,000 for project design and construction. The project funding is subject to the satisfactory completion of any required studies, contingent on the availability of funds, and subject to future revisions, as necessary. A 70 percent MR&I grant for the additional \$1,500,000 will be \$805,000

Ransom-Sargent Rural Water: The total estimated project cost is \$20 million and would serve 830 rural users and the communities of Cogswell, Elliott, Fingal, and Marion. Construction involves a water treatment plant expansion in Lisbon, a new well field, a raw water transmission pipeline, and completion of the rural water pipelines. The project received approval for a MR&I grant of \$13,985,975. The funding included \$0.986 million to help lower the monthly minimum cost to \$45.

Southeast Area Regional Expansion: The proposed and future regulations under the Safe Drinking Water Act affect many water systems in southeastern North Dakota. Regional water service may be the long-term alternative to meet those regulations. Some of the water systems in southeast North Dakota are served by the Southeast Water Users District, the Ransom-Sargent Water Users District, and the Dickey Rural Water Association. In order to obtain an assessment, concept development, and opinions of probable costs for various phases of a southeast area regional expansion project, a study is being conducted by the three existing regional water systems. The estimated cost of the study is \$93,000. The project received approval for a 65 percent water development and research grant of \$60,450 for completing the study.

Southwest Pipeline Project: The next area scheduled for construction in the phased development of the Southwest Pipeline Project is the Bowman-Scranton regional service area. This phase involves capacity upgrades to existing facilities as the project is expanded including a second Davis Buttes reservoir, and additional raw water pumps at the intake, Dodge and Richardton pump stations.

**GARRISON DIVERSION PROJECT -
APPROVAL OF REVISED FISCAL
YEAR 2001 MR&I BUDGET
(SWC Project No. 237-03)**

Secretary Frink presented the following revised proposed funding budget for Fiscal Year 2001 MR&I Water Supply program for the Commission's consideration:

Project	Activity	FY 2001	
		Approved	Proposed
All Seasons System V (Pierce)	D&C	\$ 5,710,000	\$ 5,710,000
NAWS - Rugby	D&C	805,000	805,000
Glenfield Water Supply/Storage	D&C	55,250	55,250
McKenzie County Rural Water	F	32,500	32,500
McLean-Sheridan Rural Water	F	37,050	37,050
Ramsey Rural Water District Administration	F&D	-	80,500
Total		\$6,810,000	\$6,810,000

- F Feasibility Study
- D Design
- C Construction

The State Water Commission received a request from the Ramsey Rural Water District to fund studies for the proposed expansion covering portions of Eddy, Foster and Ramsey counties. The District anticipates having the studies completed within 60 days, at a cost of \$115,000. The studies will cover mapping, system hydraulic review, preliminary design/reports, and negotiations with the city of Carrington on potential water service. The MR&I committee previously recommended future funding of 70 percent, not to exceed \$6,050,000 for project design and construction. A 70 percent MR&I grant for the additional studies (\$115,000) is \$80,500. Mike Grafsgaard, Ramsey Rural Water District, provided additional information relative to the project and requested the Commission's favorable consideration of the cost share request.

Commissioner Hofstad stated the Ramsey County Water Resource District, which he currently serves as the vice chair, oversees the Ramsey Rural Water District's project and, therefore, to avoid a conflict of interest, Commissioner Hofstad requested to be excused from discussion of the project and that an abstention vote be recorded for him.

It was the recommendation of the State Engineer that the State Water Commission approve the revised proposed Fiscal Year 2001 MR&I Water Supply program budget as presented, contingent upon the availability of federal funds and subject to future revisions. The proposed Fiscal Year 2001 MR&I budget reduces the 'Administration' funding by \$80,500 to provide funding to the Ramsey Rural Water District. (**Note:** The Garrison Diversion Conservancy District executive board of directors approved the revised proposed budget for Fiscal Year 2001 at its meeting on September 12, 2001.)

It was moved by Commissioner Johnson and seconded by Commissioner Hanson that the State Water Commission approve the recommendation of the State Engineer of the revised allocation of \$6.810 million Fiscal Year 2001 MR&I Water Supply program budget as presented. This motion is contingent upon the availability of federal funds and is subject to future revisions.

Commissioners Halcrow, Hanson, Hillesland, Johnson, Olin, Swenson, Thompson, and Governor Hoveen voted aye. There were no nay votes. Commissioner Hofstad abstained from voting. Governor Hoveen announced the motion carried.

**GARRISON DIVERSION PROJECT -
APPROVAL OF CONTINUATION
OF CONTRACT WITH WILL &
CARLSON; AND COST SHARE
UP TO \$35,000 FOR PERIOD JULY
1, 2001 TO JUNE 30, 2002
(SWC Project No. 237-03)**

Secretary Frink presented a request from the Garrison Diversion Conservancy District to continue participation in support of the Will & Carlson contract in the amount of \$35,000 for services relating to the appropriations under the Garrison Diversion Unit.

The State Water Commission first entered into a cost share agreement for the services of Peter Carlson in 1991. Since that time, Mr. Carlson has provided services for the state in Washington, DC for Garrison, Devils Lake, and the Dakota Water Resources Act.

Considerable efforts remain even though the Dakota Water Resources Act passed in December, 2000. The services in connection with the continued appropriations under the Garrison Diversion Unit include appropriations for ongoing maintenance of the existing facilities, and for the state MR&I program, the Indian MR&I program, and the Red River Valley Water Supply study.

It was the recommendation of the State Engineer that the State Water Commission approve an expenditure of \$35,000, from the funds appropriated to the State Water Commission in the 2001-2003 biennium, to continue the Will & Carlson contract for the period July 1, 2001 through June 30, 2002. These funds will be cost shared 50 percent with the Garrison Diversion Conservancy District.

It was moved by Commissioner Hanson and seconded by Commissioner Thompson that the State Water Commission approve an expenditure of \$35,000, from the funds appropriated to the State Water Commission in the 2001-2003 biennium, to continue the Will & Carlson contract for the period July 1, 2001 through June 30, 2002. These funds will be cost shared 50 percent with the Garrison Diversion Conservancy District. This motion is contingent upon the availability of funds.

Commissioners Halcrow, Hanson, Hillesland, Hofstad, Johnson, Olin, Swenson, Thompson, and Governor Hoeven voted aye. There were no nay votes. Governor Hoeven announced the motion unanimously carried.

**GARRISON DIVERSION PROJECT -
APPROVAL OF HYDROPOWER
CONSULTING CONTRACT WITH
TOM WEAVER, DENVER, CO; AND
COST SHARE EXPENDITURE OF
\$15,000 FOR PERIOD JULY 1, 2001
THROUGH JUNE 30, 2002
(SWC File Nos. 237, 1389 & AOC/IRR)**

A request from the North Dakota Irrigation Caucus was presented for the Commission's consideration to cost share for services relating to the efforts to achieve hydropower benefits for irrigation development in North Dakota.

Michael Dwyer, North Dakota Irrigation Caucus, stated that the Caucus has worked vigorously over the past year to develop a proposal on federal hydropower that is acceptable and will provide benefits for irrigation development in North Dakota. He said that when the Pick Sloan Missouri Basin program was authorized, it was envisioned that the revenues from hydropower generated at the mainstem dams would pay for most of the irrigation development authorized to compensate for the losses caused by the mainstem dams. The benefits from the hydropower generated at the Garrison Dam and other mainstem dams are enormous, although most of these benefits are received by interests outside of North Dakota. In order to secure some of those benefits for North Dakota, the Caucus has worked closely with the North Dakota Rural Electric Cooperatives, and are also developing a cooperative effort with the State of Montana, which is seeking the same benefits for irrigation development in Montana.

In order to achieve these benefits, Mr. Dwyer explained that significant work will be required in the nine-state region that receives Pick Sloan hydropower, and in Washington, DC, where support from the administration will be required to implement the Dakota Water Resources Act, which was passed by Congress in December, 2000. The North Dakota Irrigation Caucus requested support from the State Water Commission for this major effort that will involve consultants in the hydropower field and in Washington, DC. The request before the State Water Commission is to approve contracting with Tom Weaver, a hydropower consultant in Denver, CO, and to provide an expenditure of \$15,000 for the period July 1, 2001 through June 30, 2002. The funds will be cost shared 50 percent with the State of Montana.

It was moved by Commissioner Hanson and seconded by Commissioner Johnson that the State Water Commission approve an expenditure of \$15,000, from the funds appropriated to the State Water Commission in the 2001-2003 biennium, for contracting with Tom Weaver, hydropower consultant, Denver, CO. This motion is contingent upon the availability of funds. The funds will be cost shared 50 percent with the State of Montana.

Commissioners Halcrow, Hanson, Hillesland, Hofstad, Johnson, Olin, Swenson, Thompson, and Governor Hoeven voted aye. There were no nay votes. Governor Hoeven announced the motion unanimously carried.

**SOUTHWEST PIPELINE PROJECT -
AWARD OF CONTRACT 5-8,
TWIN BUTTES RESERVOIR, TO
MAQUIRE IRON, SIOUX FALLS, SD
(SWC Project No. 1736)**

On July 18, 2001, bids were opened for Southwest Pipeline Project contract 5-8 for the Twin Buttes reservoir. The contract is for a 250,000 gallon potable water reservoir 42 feet in diameter and 25 feet high located approximately

one mile north of Bowman. Two alternates were bid: one for a welded and coated steel reservoir; and, the other for a glass fused bolted steel reservoir.

There were two bids received from the following for contract 5-8: Maguire Iron, Sioux Falls, South Dakota; and Engineering America, Inc., White Bear Lake, Minnesota. The apparent low bid was from Maguire Iron, Sioux Falls, South Dakota, at a price of \$276,500 for the welded and coated steel reservoir alternate. James Lennington, project manager for the Southwest Pipeline Project, said this bid was \$65,500 over the engineer's estimate of \$211,000. The low bid equates to \$1.11 per gallon capacity. In contrast, the construction costs for the Hebron tank and the Burt tank came to \$0.52 per gallon and \$0.62 per gallon, respectively.

Mr. Lennington explained the contract documents allow the Commission to select the most advantageous bid. The project engineer has reviewed the bids and it appears most advantageous to award contract 5-8 to Maguire Iron, Sioux Falls, South Dakota.

Funding for this contract will come from the \$7.3 million allocated to the Southwest Pipeline Project out of the \$37.6 million authorized by the 2001 Legislative Assembly from the Water Development Trust Fund. The contract will require approval by USDA, Rural Development. The time for completion of the contract is 320 days after the notice to proceed has been issued, or no later than July 1, 2002. The contract has an intermediate completion date of November 17, 2001 for completion of the tank foundation and installation of underground piping.

It was the recommendation of the State Engineer that the State Water Commission approve the award of Southwest Pipeline Project contract 5-8, Twin Buttes reservoir, to Maguire Iron, Sioux Falls, South Dakota. Affirmative action by the State Water Commission on the award of the contract is contingent upon the satisfactory completion and submission of the contract documents, and the Commission's legal review.

It was moved by Commissioner Olin and seconded by Commissioner Hofstad that the State Water Commission approve the award of Southwest Pipeline Project contract 5-8, Twin Buttes reservoir, to Maquire Iron, Sioux Falls, South Dakota. This motion is contingent upon the satisfactory completion and submission of the contract documents, and the Commission's legal review.

Commissioners Halcrow, Hanson, Hillesland, Hofstad, Johnson, Olin, Swenson, Thompson, and Governor Hoeven voted aye. There were no nay votes. Governor Hoeven announced the motion unanimously carried.

**SOUTHWEST PIPELINE PROJECT -
AWARD OF CONTRACT 5-3A, SECOND
NEW ENGLAND RESERVOIR, TO
ENGINEERING AMERICA, WHITE
BEAR LAKE, MINNESOTA
(SWC Project No. 1736)**

On July 18, 2001, bids were opened for Southwest Pipeline Project contract 5-3A for the second New England reservoir. This contract is for a 1,240,000 gallon potable water reservoir 67 feet in diameter and 48 feet high located 4 miles north of New En-

gland. Two alternates were bid: one for a welded and coated steel reservoir; and, the other for a glass fused bolted steel reservoir.

There were two bids received from the following for contract 5-3A: Maquire Iron, Sioux Falls, South Dakota; and Engineering America, White Bear Lake, Minnesota. Maquire Iron bid on the welded and coated steel reservoir alternate, while Engineering America bid on the glass fused bolted steel reservoir alternate.

James Lennington explained the contract documents allow the Commission to select the most advantageous bid. The project engineer has reviewed the bid and recommended the award of the contract to Engineering America. The low bid equates to \$0.44 per gallon capacity. In contrast, the construction costs for the Hebron tank and the Burt tank came to \$0.52 per gallon and \$0.62 per gallon, respectively.

Mr. Lennington said that based on the bids, it appears most advantageous to award the contract to Engineering America. The completion date for this contract is 365 days after the notice to proceed has been issued, or no later than August 15, 2002. Excess USDA, Rural Development grant funds from the Hettinger-Reeder and Mott-Elgin regional service areas will be used for this contract. Mr. Lennington said because of the timing of these funds, the contract documents note that the contractor will only be paid for underground piping and foundation work in 2001. Work beyond that, such as tank erection, will not be paid for until May, 2002. The contract will require approval by USDA, Rural Development.

It was the recommendation of the State Engineer that the State Water Commission approve the award of Southwest Pipeline Project 5-3A for the second New England reservoir to Engineering America, White Bear Lake, Minnesota. Affirmative action by the State Water Commission on the award of the contract is contingent upon the satisfactory completion and submission of the contract documents, and the Commission's legal review.

It was moved by Commissioner Thompson and seconded by Commissioner Olin that the State Water Commission approve the award of Southwest Pipeline Project contract 5-3A, second New England reservoir, to Engineering America, White Bear Lake, Minnesota. This motion is contingent upon the satisfactory completion and submission of the contract documents, and the Commission's legal review.

Commissioners Halcrow, Hanson, Hillesland, Hofstad, Johnson, Olin, Swenson, Thompson, and Governor Hoeven voted aye. There were no nay votes. Governor Hoeven announced the motion unanimously carried.

**SOUTHWEST PIPELINE PROJECT -
AWARD OF CONTRACT 7-7A, TWIN
BUTTES SERVICE AREA, RURAL
WATER DISTRIBUTION SYSTEM, TO
ABBOT, ARNE & SCHWINDT,
MOORHEAD, MINNESOTA
(SWC Project No. 1736)**

On July 26, 2001, bids were opened for Southwest Pipeline Project contract 7-7A for the Twin Buttes Service Area, Rural Water Distribution System. This is the first rural water contract for the Bowman-Scranton regional service area. The contract documents specify the State Water Com-

mission has 60 days to award the contract after the bid opening, which occurs on September 24, 2001. This contract is for approximately 124 miles of rural distribution lines serving about 99 rural water connections.

There were two bids received from the following for contract 7-7A: Abbot, Arne & Schwindt, Moorhead, Minnesota; and Northern Improvement, Bismarck, ND. The apparent low bid received was \$1,558,058.20 from Abbot, Arne & Schwindt. The contract documents allow the Commission to select the most advantageous bid. The project engineer has reviewed the bids and recommended the award of contract 7-7A to Abbot, Arne & Schwindt, Moorhead, Minnesota.

At its meeting on July 18, 2001, the Commission members were informed that funding for this contract was intended to be a combination of state and USDA, Rural Development funds. The Commission's budget for the 2001-2003 biennium included \$7.3 million for the

Southwest Pipeline Project out of the \$37.6 million from the Water Development Trust Fund. James Lennington noted the application for \$1,590,000 in USDA, Rural Development funding in 2001 has not yet been approved. If USDA, Rural Development funding is not available in 2001, the funding package may be reconfigured for Bowman-Scranton to receive more funding in 2002 than had been planned. If it appears that USDA, Rural Development funding will not be available, or if funding is not available at the level expected, the funding priorities for the remainder of the Bowman-Scranton phase will need to be re-examined. The state's funding commitments, to date, for Bowman-Scranton total approximately \$2,387,000 when the Twin Buttes reservoir and necessary telemetry facilities are included. Mr. Lennington said this amount does not exceed the expected state contribution towards 2001 funding, but it will if contract 7-7A is awarded. This contract will require approval by USDA, Rural Development.

The proposed funding for the Bowman-Scranton regional service area is shown in the following table, and reflects the funding levels agreed to with USDA, Rural Development:

**Bowman-Scranton Phase Funding
(in million dollars)**

Year	State Grant	USDA Grant	USDA Loan	Yearly Total
2001	\$ 3,140,000	\$ 715,000	\$ 875,000	\$ 4,730,000
2002	\$ 3,710,000	\$ 845,000	\$ 1,035,000	\$ 5,590,000
Totals	\$ 6,850,000	\$ 1,560,000	\$ 1,910,000	\$ 10,320,000

The projected construction schedule and estimated costs for the Bowman-Scranton regional service area are shown in the following table (the estimated costs shown in the table below are more current and have not been updated in the above funding table):

**Bowman-Scranton Phase Funding
Projected Construction Schedule and Estimated Cost**

2001 Funding (Phase I)

Contract	Status	Facility	Size	Estimated Cost
5-8	Awarded*	Twin Buttes Reservoir	250,000 gallons	\$ 374,000
2-4C	Awarded	Main Transmission Pipeline	32.5 miles (10" - 4")	1,859,000
7-7A	Pending	Twin Buttes Service Area (east)	99 users	\$ 2,120,000
6		SCADA, Telemetry		154,000
2001 Total				\$ 4,507,000

* Assumed awarded at August 16, 2001 meeting

2002 Funding (Phase II)

Contract	Status Facility	Size	Estimated Cost
7-3C	Future Amidon Pocket	26 users	\$ 1,052,000
5-13A	Future Second David Buttes Reservoir	1,000,000 gallons	665,000
4-1B	Future Additional Raw Water Line Pumps		1,210,000
7-7B	Future Twin Buttes Service Area (west)	74 users	2,663,000
2002 Total			\$ 5,590,000
Bowman-Scranton Total			\$10,097,000

It was the recommendation of the State Engineer that the State Water Commission approve the award of Southwest Pipeline Project contract 7-7A, Twin Buttes Service Area, Rural Water Distribution System, to Abbot, Arne & Schwindt, Moorhead, Minnesota, in the amount of \$1,558,058.20. Affirmative action by the State Water Commission on the award of the contract is contingent upon the satisfactory completion and submission of the contract documents, and the Commission's legal review.

It was moved by Commissioner Olin and seconded by Commissioner Johnson that the State Water Commission approve the award of Southwest Pipeline Project contract 7-7A, Twin Buttes Service Area, Rural Water Distribution System, in the amount of \$1,558,058.20 to Abbot, Arne & Schwindt, Moorhead, Minnesota. This motion is contingent upon the satisfactory completion and submission of the contract documents, and the Commission's legal review.

Commissioners Halcrow, Hanson, Hillesland, Hofstad, Johnson, Olin, Swenson, Thompson, and Governor Hoeven voted aye. There were no nay votes. Governor Hoeven announced the motion unanimously carried.

**SOUTHWEST PIPELINE PROJECT -
APPROVAL TO PRE-AUTHORIZE
AWARD OF SWPP CONTRACT 2001-1,
SWPP AND AVS PROTECTION OF
RAW WATER PIPELINES FROM
MINING OPERATIONS
(COTEAU CROSSING)
(SWC Project No. 1736)**

On July 18, 2001, the State Water Commission was informed about the Coteau Properties Company plans to construct a coal haul road and drag-line crossing over the Southwest Pipeline Project's 30-inch steel raw water pipeline near the intake in Mercer County.

James Lennington stated that when Coteau Properties made its initial contact last fall, Coteau was planning on construction in 2004. This spring, Coteau modified its plans to move up the construction date to early spring, 2002.

The Southwest Pipeline Project is in the area of the planned crossing and is approximately 80 feet-6 inches from Basin Electric Power Cooperative's 42-inch prestressed concrete cylinder pipeline for the Antelope Valley Station. Both pipelines will be crossed by the road. Several meetings have been held with Basin Electric to discuss a common solution jointly using Bartlett & West Engineers as the engineering consultant. Mr. Lennington explained that an analysis of the expected loads showed that both pipelines would fail if not protected. It has been determined that the best solution for protecting both pipelines is to construct a reinforced concrete bridge over the top of both pipelines to withstand the loading of the road and mine equipment. One set of plans and specifications has been developed for two owners and one contractor. Separate bid, performance, and payment bonds, as well as construction agreements, will be used. The bid form is set up to include two separate bid schedules, one for the Southwest Pipeline Project, and one for Basin Electric Cooperative. The successful bid will be the lowest and best combination of both bid schedules.

Mr. Lennington explained that the State Water Commission's share of the estimated cost of construction is \$125,000-\$175,000, with engineering costs being an additional \$30,000. The loss of coal to Coteau Properties Company because of the Southwest Pipeline will cost an additional \$9,800. Funding for this contract will come from the \$7.3 million allocated out of the \$37.6 million from the Water Development Trust Fund for the Southwest Pipeline Project in the Commission's 2001-2003 budget. It is anticipated to advertise for bids on August 9, 2001, with the bid opening scheduled on August 30, 2001. Construction would begin immediately with completion of the contract specified for the end of November, 2001. Mr. Lennington explained that because of the critical timing associated with this contract, that the State Water Commission should consider the pre-authorization of the award of this contract to avoid any delays in having construction commence. If the award is pre-authorized, after the bid opening on August 30, 2001, a memorandum will be provided to the Commission members summarizing the bids and providing for the Commission's input.

It was the recommendation of the State Engineer that the State Water Commission pre-authorize the award of Southwest Pipeline Project Contract 2001-1 - Southwest Pipeline Project and Antelope Valley Station Protection of Raw Water Pipelines from Mining Operations, with the State Water Commission's share of construction costs up to \$175,000.

It was moved by Commissioner Johnson and seconded by Commissioner Hanson that the State Water Commission pre-authorize the award of Southwest Pipeline Project Contract 2001-1 - Southwest Pipeline Project and Antelope Valley Station Protection of Raw Water Pipelines from Mining Operations, with the State Water Commission's share of construction costs up to \$175,000.

Commissioners Halcrow, Hanson, Hillesland, Hofstad, Johnson, Olin, Swenson, Thompson, and Governor Hoeven voted aye. There were no nay votes. Governor Hoeven announced the motion unanimously carried.

**APPROVAL OF RESOLUTION
OF APPRECIATION TO PINKIE
EVANS-CURRY, MANAGER/CEO,
SOUTHWEST PIPELINE PROJECT
(SWC Project No. 1736)
(SWC Resolution No. 2001-8-495)**

A resolution of appreciation to Pinkie Evans-Curry, Manager/CEO, Southwest Pipeline Project, was presented for the Commission's consideration. Mrs. Evans-Curry began her service to the Southwest Pipeline Project as an employee of the North Dakota State

Water Commission in December, 1993. She decided to resign from her position as Manager/CEO of the Southwest Water Authority, effective July 31, 2001.

It was moved by Commissioner Hillesland, seconded by Commissioner Thompson, and unanimously carried, that the State Water Commission approve Resolution No. 2001-8-495, In Appreciation to Pinkie Evans-Curry, Manager/CEO, Southwest Pipeline Project. SEE APPENDIX "D"

**INTRODUCTION OF MANAGER/
CEO OF SOUTHWEST WATER
AUTHORITY -
RAYMONDCHRISTENSEN
(SWC Project No. 1736)**

At its meeting on August 6, 2001, the Southwest Water Authority promoted Raymond Christensen as the second Manager/CEO of the Authority to replace Pinkie Evans-Curry. Mr. Christensen was currently serving the Authority as its Operations Chief.

Mr. Christensen expressed his appreciation to the State Water Commission for its past support and said he is looking forward to a continued working relationship with the Commission and the Authority addressing the issues and, ultimately, the completion of the Southwest Pipeline Project.

**NORTHWEST AREA WATER
SUPPLY PROJECT UPDATE
(SWC Project No. 237-04)**

On January 19, 2001, the Secretary of the Interior, in consultation with the Administrator of the Environmental Protection Agency and the Secretary of

the State Department, determined that the Northwest Area Water Supply Project meets the requirements of the Boundary Waters Treaty of 1909. The document listed several commitments that the project would include to prevent interbasin biota transfer. This determination satisfies the requirements within the 1986 Garrison Diversion Reformulation Act for MR&I projects transferring water from the Missouri River into the Hudson Bay basin.

The Bureau of Reclamation completed the final environmental assessment and the environmental decision document - the Finding of No Significant Impact (FONSI) for the Northwest Area Water Supply project, which was executed on May 18, 2001. On June 4, 2001, the U.S. State Department formally presented the project to the Government of Canada and allowed 30 days for comments. On June 18, 2001, the Canadian government requested a copy of a Comparative Risk Analysis report, which had been completed as supporting documentation to federal officials. The Canadian government also requested the computer model used in developing the Comparative Risk Analysis. If 30 days were allowed after receipt of that report, the comment period would have expired on July 18, 2001.

Two parties have appealed the FONSI signed by the Bureau of Reclamation, Dakota Area Manager. Environment Canada and the Province of Manitoba have combined to appeal this decision. Gary Pearson, Jamestown, North Dakota, has also appealed the FONSI. Both of these parties have requested a meeting with the Bureau of Reclamation's Regional Director to discuss the FONSI.

On April 29, 1996, the State Water Commission adopted a list of construction priorities for the Northwest Area Water Supply project with the understanding that the list was only a guide and could be adjusted in the future and that it is dependent on the availability of funds. James Lennington, project manager, indicated this schedule called for completion of the pretreated water pipeline to Minot within five years.

At its meeting on June 6, 2001, the NAWS advisory committee passed a motion recommending the State Water Commission and the Garrison Diversion Conservancy District adopt a revised list of construction priorities, which included a parallel track of construction priorities, subject to the availability of sufficient federal and/or state funds and subject to the approval of the city of Minot.

Mr. Lennington explained that the parallel track schedule provides for construction beyond Minot at the same time as the pipeline is constructed towards the Missouri River. He said many of the communities beyond Minot have serious water quality problems, which have been deferred while waiting for the NAWS project.

Secretary Frink stated that because there is uncertainty in the funding sources and the specific amounts for the Northwest Area Water Supply project, he does not support a construction schedule which would jeopardize the completion of the pipeline to Minot.

Mr. Lennington stated the project intake could be located in either Lake Audubon or Lake Sakakawea. He said a Lake Audubon intake would clearly benefit from the Garrison Unit facilities and would require some type of water purchase agreement with the Bureau of Reclamation that would include repayment for Garrison facilities, their operation, maintenance, and replacement. An intake in Lake Audubon would take advantage of the nearly constant water levels and would probably have lower construction costs. Mr. Lennington said a Lake Sakakawea intake will not require a water purchase agreement, but depending on its location, may involve some other type of agreement with the Bureau of Reclamation. Water quality sampling, which the state has conducted for the past several years, indicates better water quality in Lake Sakakawea, which would result in lower treatment costs. A Corps of Engineer's permit will be required for a Lake Sakakawea intake.

A request was recently submitted to the Bureau of Reclamation for discussions on locating the NAWS intake in Lake Sakakawea adjacent to the Snake Creek pumping plant. A recommendation will be presented for the Commission's consideration at a future meeting on an intake location.

**DEVILS LAKE
HYDROLOGIC UPDATE
(SWC Project No. 416-02)**

Secretary Frink reported recent frequent rains have kept Devils Lake from decreasing in elevation, as the lake was at the same elevation at the

end of July that it was at the beginning of the month. During the month, the lake varied between 1447.7 and 1447.9 feet msl in response to rainfall, runoff, and evaporation. The current elevation of Devils Lake is 1447.88 feet msl. Secretary Frink explained that at this elevation, the lake covers 130,000 acres and is storing 2.5 million acre-feet of water. The elevation is approximately 1.8 feet higher than it was a year ago. Since the first of the year, the volume of the lake has increased by nearly 224,000 acre-feet, inundating approximately 12,000 acres.

Approximately 34 cubic feet per second of water is flowing from Devils Lake to Stump Lake. The elevation of Stump Lake is 1412.2 feet msl and the lake level has increased three feet this year.

The volume of Stump Lake has increased by approximately 23,000 acre-feet, inundating nearly 340 acres since the first of the year. Approximately 3,700 acre-feet of the Stump Lake volume increase is a result of flow from Devils Lake, and the remaining water is a result of runoff from the Stump Lake basin and rainfall directly on Stump Lake.

**DEVILS LAKE STATE TEMPORARY
EMERGENCY OUTLET UPDATE;
APPROVAL OF BARTLETT &
WEST ENGINEERS, INC./BOYLE
ENGINEERING CORPORATION
TO PROVIDE ENGINEERING
SERVICES FOR DEVILS LAKE
(PETERSON COULEE) EMERGENCY
OUTLET PROJECT
(SWC Project No. 416-07)**

On May 22, 2001, the State Water Commission approved shifting the location of the Devils Lake state temporary emergency outlet from the Twin Lakes route to the Peterson Coulee route. The Commission also passed a motion that the funds of \$500,000 (approved at the December 8, 2000 Commission meeting) be made available for the preliminary design and other items necessary to reach the

construction phase of a temporary outlet along the Peterson Coulee route in the shortest possible time frame.

Todd Sando reported a Request for Proposals (RFP) for engineering services for the state emergency outlet was prepared by the Commission staff. The RFP stated the engineering services may include: wetland delineation, preliminary design of pumps, pipelines, open channels, controls, and monitoring, construction design, construction services, and downstream impacts assessment. He said it is intended that the initial contract issued to the successful respondent will be for wetland delineation and preliminary design only. As the project moves forward, additional contracts may be negotiated.

Four firms responded to the RFP: Stanley Consultants, Inc.; HDR Engineering, Inc.; Barr Engineering Company; and Bartlett & West Engineers, Inc./Boyle Engineering Corporation. On August 7, 2001, the selection committee conducted interviews with the four firms. Following the interviews, the firms were ranked by the selection committee based upon each firm's past performance, ability of professional personnel, willingness to meet time and budget requirements, location, recent, current, and projected workload, related experience, and recent and current work for the agency. The selection committee prepared a report documenting the rankings, which was provided to the Commission. Bartlett & West Engineers, Inc./Boyle Engineering Corporation scored the highest. Mr. Sando indicated the selection committee has completed the process that is required by state law for selecting an engineer for the Devils Lake (Peterson Coulee) emergency outlet project.

Mr. Sando stated that Bartlett & West Engineers, Inc./Boyle Engineering Corporation has done first-rate work with the Southwest Pipeline Project for the State Water Commission, as well as numerous other rural water systems in North Dakota and South Dakota. He said Boyle Engineering brings to the team many years of experience in designing and constructing 300+ cfs pumping plants and systems throughout the western United States. Bartlett & West, Inc./Boyle Engineering Corporation will contract with High Plains Consortium to assist in the wetland delineation. High Plains Consortium has significant environmental experience, including delineating wetlands for the previously proposed Twin Lakes emergency outlet project.

It was the recommendation of the State Engineer that the State Water Commission approve the report and authorize negotiations with Bartlett & West, Inc./Boyle Engineering Corporation to provide engineering services for the Devils Lake (Peterson Coulee) emergency outlet project.

It was moved by Commissioner Hofstad and seconded by Commissioner Thompson that the State Water Commission approve the report and authorize negotiations with Bartlett & West, Inc./Boyle Engineering Corporation to provide engineering services for the Devils Lake (Peterson Coulee) emergency outlet project.

Commissioners Halcrow, Hanson, Hillesland, Hofstad, Johnson, Olin, Swenson, Thompson, and Governor Hoeven voted aye. There were no nay votes. Governor Hoeven announced the motion unanimously carried.

Norma Duppler, representing the Barnes County Emergency Management, the Barnes County Water Resource District, and the Sheyenne River Joint Basin Board, requested an audience before the State Water Commission to provide comments relative to the state's proposal for a temporary Devils Lake emergency outlet. Ms. Duppler stated the citizens of Valley City and Barnes county are not opposed to an outlet, but suggest a change in the proposed alignment so that it would impound fresh water. She indicated this proposal would reduce the downstream water quality issues, as well as the Canadian concerns relative to the transfer of biota.

Governor Hoeven expressed his assurance that the "reason the state is hiring the engineering consultant is for an absolute commitment to our citizens, as well as to the Canadians, to manage the Devils Lake problem correctly, and not just watch this continual flooding."

**CORPS OF ENGINEERS PERMANENT
DEVILS LAKE EMERGENCY OUTLET
(SWC Project No. 416-01)**

The Corps of Engineers is continuing with the environmental impact statement (EIS) for a permanent outlet project for Devils Lake. It is the intent

of the Corps to have a draft EIS by February, 2002, a final EIS by July, 2002, and the Record of Decision by September, 2002. This schedule would potentially allow for construction of an outlet to begin in October, 2002. Concurrent with the EIS, the Corps will proceed with the design of the outlet to be prepared for construction if the EIS supports an outlet.

In July, 2001, the Corps released its Supplemental Scoping Document for the EIS. This document summarizes the issues identified during the public meetings held in March, 1998 and April, 2001 throughout the Devils Lake and Red River basins. The document also describes the alternatives and issues to be addressed in the EIS. It is anticipated that the Corps will release its alternative evaluation report in the near future, which should identify the alternative the Corps will design concurrent with the EIS.

The Corps of Engineers held a technical team meeting on August 15, 2001 in Fargo to discuss the alternative selection. The technical team is composed of staff members from various local, state, tribal, and federal agencies. The purpose of the technical team is to provide advice and technical input during the preparation of the EIS and preconstruction engineering and design work for a permanent Devils Lake outlet. Todd Sando explained that the advisory capacity of the technical representatives is not to be taken as the agency position.

**IRRIGATION DEVELOPMENT
IN NORTH DAKOTA
(SWC Project No. 1389)**

The State Water Commission budget includes a tentative allocation of \$3,290,000 for irrigation development in North Dakota. In previous bienniums,

the Commission has allocated funds for studies, engineering, and construction of irrigation projects. Secretary Frink indicated he supports using a portion of the agency's allocation for this purpose, but has also pursued discussions with the North Dakota Irrigation Caucus on the following other possibilities for enhancing irrigation development in North Dakota. A recommendation will be presented for the State Water Commission's consideration at a future meeting:

1) **Ag-PACE Enhancement Program**

The Bank of North Dakota has operated the Ag-PACE program for several years to assist farmers in diversifying their income sources. The bank provides up to a \$100,000 loan, with a maximum interest buy-down for the loan of \$20,000. Many people have compared Ag-PACE to a Montana program that provides a revolving loan of up to

\$200,000, with a current 6.5 percent interest rate. The main advantage of the Montana program appears to be the larger loan amount. While it was discussed developing a separate program similar to Montana's, the Ag-PACE program should be enhanced. The Bank of North Dakota would continue to operate the program, and the State Water Commission's involvement would be largely funding once the enhanced program was established.

2) **Reserve Fund for Irrigation Bond**

This statewide bond issue could include central water supply systems and storage facilities for high value crops. The two projects that are most ready for construction and a financing program are the Nesson and Elk/Charbon irrigation projects near Williston. High value crop storage facilities are also needed in the Williston area, the Oakes area, and by the Central Dakota Irrigation District in Kidder, Stutsman and Logan counties, which provides potatoes to the Aviko potato processing facility in Jamestown.

It may be appropriate for this combined bond issue to be issued by the North Dakota Municipal Bond Bank, with the State Water Commission providing support in the form of a reserve fund for the bond issue to decrease the amount to be borrowed. The reserve fund would ultimately be returned to the State Water Commission.

3) **Irrigation Research**

Irrigation research is an essential component of expanding irrigation. Crop rotation with high value crops must be determined to achieve the economic opportunities for both growers and communities. Failure to do necessary research could result in significant loss, and is needed to be competitive within the industry. The Williston Experiment Station received authority to purchase 160 acres of land in Nesson Valley, and the estimated cost of the water supply and linear irrigation systems for the research site is \$460,000. The Williston Experiment Station will provide the staff and operations for this irrigation research site, and part of the land acquisition.

Secretary Frink stated considerable work needs to be done, but a possible funding breakout is as follows:

1)	Ag-PACE Enhancement Program	\$ 1,000,000
2)	Reserve Fund for irrigation bonds	1,700,000
3)	Irrigation research site	240,000
4)	Irrigation feasibility studies	250,000
5)	Miscellaneous irrigation cost share (i.e. hydropower consultant, etc.)	100,000

Total **\$ 3,290,000**

**RURAL FARMSTEAD RING DIKE
PROJECTS DESIGN STANDARDS
(SWC Project Nos. 1271, 1280, 1312, 1705)**

At the May 22, 2001 meeting, the State Water Commission directed the State Engineer to revisit the design standards for rural farmstead ring dikes

relating to the top width and the freeboard criteria, and to determine the fiscal impact of the program which could result with the increase in the state cost share.

Secretary Frink explained the North Dakota state law mandates that ring dikes capable of retaining, obstructing, or diverting more than 12.5 ace-feet of water cannot be constructed within any district without first obtaining a permit from the State Engineer. In granting a permit, the State Engineer is prohibited by law from allowing the construction of any unsafe dike that threatens to harm life or property.

The design standards for ring dike construction permit approval by the State Engineer are based on guidelines given in the *North Dakota Dam Design Handbook*, developed jointly by the USDA-Natural Resources Conservation Service, the U.S. Army Corps of Engineers, the U.S. Bureau of Reclamation, the Federal Emergency Management Agency, the N.D. Division of Emergency Management, the State Water Commission, and consulting engineers.

Minimum design standards include: a top width of at least 8 feet, side slopes no steeper than 3:1, and compaction to an acceptable range for soils used. The *Handbook* recommends a minimum top width of 8 feet for embankments less than 14 feet in height. Currently, the State Engineer does not require that a geotechnical site exploration, an investigation to determine soil types present and their physical properties, be undertaken as a condition of permit approval for farmstead ring dikes even though such an investigation may be required for other earthen structures (dams, dikes, storage ponds, lagoons, etc.) of a similar height and hazard potential. The purpose of requiring a ring dike design to meet minimum design standards is to reasonably ensure the stability of the structure when no soil testing has been done.

For ring dikes along the Red River, the State Engineer also requires a minimum height of either 2 feet above the 100-year flood elevation or 2 feet above the 1997 flood elevation, whichever is higher. The purpose of this height requirement is to provide a freeboard allowance for wave action during flooding events.

Secretary Frink explained that these design criteria represent the minimum acceptable standards to reasonably ensure the safety of individuals and the protection of property, and are applicable to all dam and dike construction projects requiring permit approval by the State Engineer.

Secretary Frink said the increase in the level of state cost participation to 50 percent of the eligible costs (approved by the State Water Commission on May 22, 2001) will make the construction of rural ring dikes a more affordable option for North Dakota property owners. The full financial implications of this change in the Commission's cost share policy will be experienced only when additional water resource districts begin sponsoring ring dike programs.

To date, inquiries have been received from the Richland and Pembina County Water Resource Districts in regard to establishing ring dike programs in these counties. Secretary Frink said it is anticipated there could be some additional interest due to the state's new 50 percent cost share policy but, to date, a large increase in construction activities has not occurred.

The design criteria standards were discussed and because of concerns expressed relating to the top width and the freeboard criteria, Governor Hoeven directed the staff to continue discussions with those Commission members who have concerns relating to the design criteria standards.

**MISSOURI RIVER UPDATE
(SWC Project No. 1392)**

Todd Sando reported as of August 1, 2001, the Corps of Engineers forecasted the total runoff above Sioux City

for 2001 to be 22.5 million acre-feet, which is approximately 89 percent of normal. Most of this runoff will be in the lower basin - the prediction is for 53 percent of normal runoff into Fort Peck reservoir, and 62 percent of normal runoff into Lake Sakakawea, while the reach between Gavins Point Dam and Sioux City is predicted to have 266 percent of normal runoff.

Through the end of July, 2001, runoff this year has been 53 percent of normal into Fort Peck, 64 percent of normal into Lake Sakakawea, 138 percent into Lake Oahe, and 318 percent of normal between Gavins Point Dam and Sioux City. Releases from the system have been below average because of the high inflows below Gavins Point Dam resulting in higher lake levels than would have occurred without this inflow.

Lake Sakakawea was at an elevation of 1834.4 feet msl at the end of July, 2001, which is 3 feet lower than it was last year at this time, and almost 9 feet below its average end of July elevation. Releases from the Garrison Dam average 13,800 cfs during July, 2001. The releases will remain near 14,000 cfs through August, 2001, and the Corps predicts that the lake will drop one foot during August. After September 3, 2001, releases will be lowered to 12,000 cfs and, if downstream conditions permit, the releases may be dropped to 10,000 cfs to conserve water.

Mr. Sando reported the Corps of Engineers plans to release the draft environmental impact statement for the Master Manual revision by the end of August, 2001. The Corps announced this draft will not identify a preferred alternative, but rather will list a number of alternatives. Following public hearings this fall on the draft EIS, the Corps anticipates meeting its current schedule, which would result in the revised Master Manual being implemented in 2003.

**APPROVAL OF RESOLUTION
OF APPRECIATION TO
JUDITH DEWITZ, STATE
WATER COMMISSION MEMBER
(SWC Resolution No. 2001-8-496)**

A resolution of appreciation to Judith DeWitz, State Water Commission member, was presented for the Commission's consideration. Ms. DeWitz provided the benefit of her knowledge and experience to the State of North

Dakota as a member of the State Water Commission from July, 1993 through June, 2001.

It was moved by Commissioner Swenson, seconded by Commissioner Thompson, and unanimously carried, that the State Water Commission approve Resolution No. 2001-8-496, In Appreciation to Judith DeWitz, State Water Commission member. SEE APPENDIX "E"

**NORTHWESTERN DAIRY, LLLP,
MOUNTRAIL COUNTY, UPDATE
(SWC Project No. 1293)**

On May 22, 2001, the State Water Commission voted to approve a 50 percent cost share of the eligible items, not to exceed \$91,240 from the

Contract Fund in the 1999-2001 biennium, for the water supply facilities to NorthWestern Dairy, LLLP, in Mountrail county. The motion was contingent

upon the availability of funds; and a determination by the Assistant Attorney General to ensure that providing state funds is consistent with state law. On July 18, 2001, the Commission declared that NorthWestern Dairy, LLLP, serves a public purpose, and that it provide the 50 percent cost share for the water supply facilities.

Jack Hansel, Mountrail County Rural Water, requested an audience before the State Water Commission to provide a status report on the NorthWestern Dairy, LLLP project. Financing for the project was recently approved, discussions with the Three Affiliated Tribes continue, and the cost share agreement between the State Water Commission and the Dairy is being finalized.

In discussion of the project, the State Water Commission directed the State Engineer and staff to develop draft policy criteria/guidelines for future cost share requests relating to the promotion of economic development.

There being no further business to come before the State Water Commission, Governor Hoeven adjourned the meeting at 4:55 PM.

John Hoeven, Governor
Chairman, State Water Commission

SEAL

Dale L. Frink
State Engineer, and
Chief Engineer-Secretary to the
State Water Commission